

Syria Tree Nuts Report 2006

Executive Summary

Pistachio production is increasing in Syria due to the maturing of planted trees that are still fairly young. Prices for locally produced pistachios went up in 2004 due to the frost in 2004 and are still high. Imported shelled pistachios are significantly cheaper in price than the local pistachios. Arabic sweets prices maintained its high levels since 2004 too. Syria exports green pistachios during the production season and imports shelled pistachios.

Production

Syria Pistachios, Inshell Basis (HA)(1000Trees)(MT)						
	2005	Revised	2006	Estimate	2007	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		08/2005		08/2006		08/2007
Area Planted	60000	57000	60000	57000	0	57000
Area Harvested	52000	52000	53000	53000	0	54000
Bearing Trees	7000	6200	7500	6500	0	7000
Non-Bearing Trees	3000	3400	2500	3000	0	2500
Total Trees	10000	9600	10000	9500	0	9500
Beginning Stocks	5684	6184	12684	11184	0	11184
Production	60000	60000	60000	65000	0	70000
Imports	5000	5000	5000	5000	0	5000
TOTAL SUPPLY	70684	71184	77684	81184	0	86184
Exports	15000	15000	15000	20000	0	22000
Domestic Consumption	43000	45000	43000	50000	0	52000
Ending Stocks	12684	11184	19684	11184	0	12184
TOTAL DISTRIBUTION	70684	71184	77684	81184	0	86184

Pistachios are grown in Syria under rainfed conditions. There is a total of 9.5 million trees planted on 57,000 hectares. In 2006, the number of fruit-bearing trees is estimated at about 6.5 million, and the crop is forecast at 65,000 tons. No major incidence of pests or diseases was reported in 2006, however, rainfall was below average. Pesticides are rarely used in pistachio orchards. The use of commercial fertilizer is not common and growth regulators are not used. Organic matter is generally used at planting time.

Pistachios are grown in areas that are usually not suitable for most other crops and are, in many places, co-planted with figs, olives, and grape vines. The majority of the trees in Syria are still young and have not reached the economic fruit-bearing stage. The average yield per tree increases with the age of the tree. The Ministry of Agriculture and Agrarian Reform encourages pistachio production by selling seedlings at nominal prices. Olive tree planting competes with

pistachios in newly reclaimed areas. With the increase in local and international prices for olive oil, farmers are replacing very young pistachio trees with olive trees, which are more profitable to grow. Accordingly, planted areas slightly dropped. During the production season in 2005, farm-gate prices were about 70 - 100 SP (USD 1.40 - 2.00) per kilogram of green pistachios, significantly below the prices in 2004.

Consumption

A significant part of the pistachio crop is consumed green in Syria. The harvesting season begins in August. Wholesale prices of locally produced shelled pistachios that are mainly used for the production of sweets and local ice cream have ranged from approximately 600 SP (USD 12) to 750 SP (USD 15) per kilogram for shelled pistachios of the first grade varieties. Illegally imported Iranian pistachios sell for 500 SP (USD 10.0) per kilogram. No U.S. pistachios are present in the Syrian market. Prices of Arabic sweets that are made from pistachios have maintained their high level.

Trade

Export Trade Matrix Syria Pistachios, Inshell Basis			
Time period:	CY	Units	Metric Tons
Exports for	2005		2006
U.S.	0	U.S.	0
Others		Others	
Lebanon	5000	Lebanon	6000
Jordan	3000	Jordan	5000
Total for Others	8000		11000
Others not Listed	7000		9000
Grand Total	15000		20000
Import Trade Matrix Syria Pistachios, Inshell Basis			
Time period:	CY	Units	Metric Tons
Imports for	2005		2006
U.S.	0	U.S.	0
Others		Others	
Iran	4000	Iran	4000
Turkey	1000	Turkey	1000
Total for Others	5000		5000
Others not Listed			
Grand Total	5000		5000

Foreign trade statistics indicate an increase in "legal" imports of shelled pistachios from 2,058 MT in 2003 to 2,078 MT in 2004, of which 95 percent came from Iran. Trade data for 2005 are not yet published. In-shell pistachios cannot be officially imported. Pistachios, shelled and in-shell, are being smuggled into Syria via Lebanon from Iran and Turkey. Afghani pistachios are not currently available in the Syrian market. All roasted non-local, in-shell pistachios sold in Syria are unofficially imported through Lebanon and Turkey or brought by Iranian tourists. Syria does not import any pistachios from the United States. An import license is necessary for all imports of pistachios. Customs duties on shelled pistachios are set at 15 percent plus a unified tax of 14 percent, while customs duties in neighboring Lebanon are only 5 percent. The customs tariff is expected to change in late 2006 when the unified tax is expected to be incorporated into the tariff.

Syrian official exports of green pistachios decreased from 2,865 MT in 2003 to 1,250 MT in 2004. Primary markets were Lebanon (922 MT) and other Arab countries. Visiting tourists from Arab countries informally export significant quantities of pistachios out of Syria during 3-4 months after the beginning of the harvest season every year. Syrian exports of shelled pistachios are negligible (33 MT in 2004). With high wholesale prices for local production of shelled pistachios (about 650 SP or USD 13/kilogram), Syria cannot compete in the international market with Iran, Turkey, Afghanistan, and the United States.

Stocks

According to trade sources, the local supply of pistachios, plus imports (legal and illegal), usually match domestic consumption. Ending stocks are usually expected to be sufficient for a few months. Stocks are expected to rise in the future when local production increases and if the price of imported pistachios remains below the local crop price. At the end of the marketing season in July 2006, the prices for locally-produced shelled pistachios were higher than those for Iranian and Turkish pistachios. All stocks are held generally by the traders, not the producers.

Policy

The government continues to encourage pistachio production by selling seedlings at nominal prices. There is government intervention in some areas of pistachio trade, such as banning the imports of in-shell pistachios; but prices are determined by supply and demand conditions.

Marketing

There are no Syrian standards for pistachios. Sizing, shelling, and grading are all done by hand. Private sector storage facilities are adequate. The entire pistachio trade is in the hands of the private sector.

Trade sources state that Iranian and Turkish pistachios are more suitable than American pistachios for the local Arabic sweets industry. American pistachios reportedly turn brownish in color during baking as a result of the way they are preserved. The local market preference is for a whole nut, greenish or yellowish in color, that retains its color during high-temperature baking for Arabic sweets.